



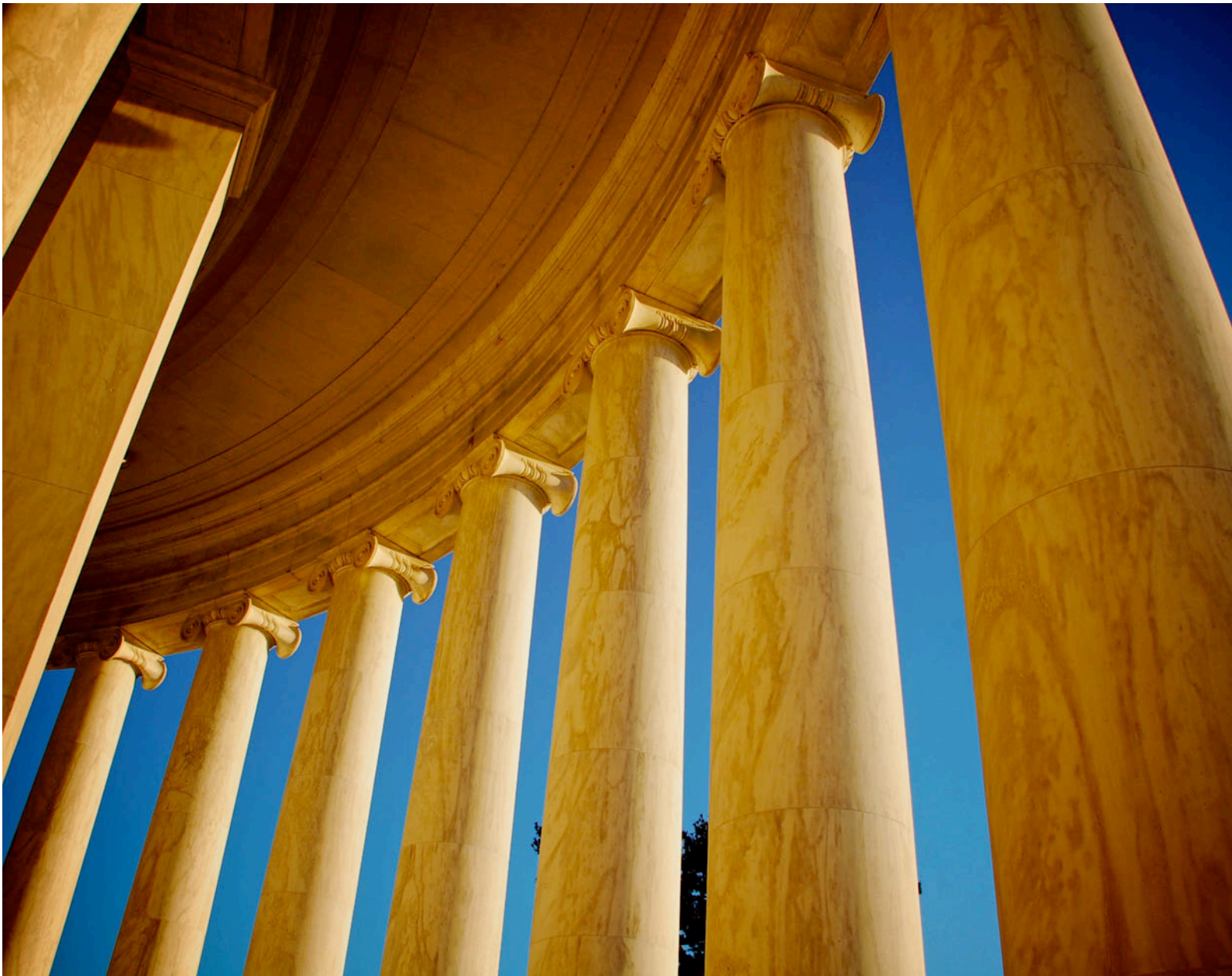
# REPUBLICAN SOLUTIONS HANDBOOK



*House Republican Conference*

September 2009





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## REPUBLICAN PLAN

Republicans are promoting common sense reforms that make health care more affordable, reduce the number of uninsured Americans, and increase quality at a price our country can afford, while making sure that Americans who like their health care coverage can keep it.

### **Making Health Care More Affordable for All Americans:**

More Americans will gain access to quality health care once its costs are brought under control. The first step in lowering health care costs is to eliminate the unnecessary overspending in our current system.

The Republican plan implements comprehensive medical liability reform that will reduce costly, defensive medicine practiced by doctors trying to protect themselves from overzealous trial lawyers. Additionally, it provides Medicare and Medicaid with additional authority and resources to stop waste, fraud, and abuse that costs taxpayers billions of dollars every year.

To lower the costs of health care, the Republican plan increases fairness in the tax code by extending tax savings to those who currently do not have employer-provided coverage but purchase a health plan on their own. This provision would provide an "above the line" deduction that is equal to the cost of an individual's or family's insurance premiums. The plan also provides immediate substantial financial assistance, through new refundable and advanceable tax credits, to low- and modest-income Americans so all Americans have access to health coverage.

The plan also recognizes that the cost of health insurance is one of the largest obstacles for many small businesses when it comes to retaining current employees or creating new jobs. The plan allows states, small businesses, associations, and other organizations to band together to offer health insurance at lower costs.

This plan creates incentives to save now for future health care needs by improving health savings accounts and flexible spending arrangements as well as creating new tax benefits to offset the cost of long-term care premiums.

### **Making Health Care More Available & Accessible for All Americans:**

The Republican plan reduces the number of uninsured Americans by helping Americans keep health care coverage regardless of a change in or loss of a job.

In order to increase accessibility, the plan encourages states to create a Universal Access Program by establishing and/or reforming existing programs to guarantee all Americans, regardless of pre-existing conditions or past illnesses, access to affordable coverage.

The Republican plan strengthens employer-provided health coverage by helping the 10 million uninsured Americans who are eligible, but not enrolled in, an employer-sponsored plan get health care coverage. The plan encourages employers to use opt-out, rather than opt-in rules and provides small businesses incentives to offer health care coverage to their workers through a new small business tax credit to cover administrative costs.

The Republican plan provides flexibility to Medicaid and SCHIP beneficiaries by allowing them to apply the value of their benefit to a health plan that better meets their needs than the one-size-fits-all government program.

## DEMOCRAT PLAN

Democrats have proposed the establishment of a public-option government-run health plan. Some of the consequences of this government take over of health care include higher costs, lower quality and fewer choices.

### **Government Control:**

Government programs constitute nearly half of all health care spending, and further increasing government's clout may well limit patient care as a way to contain costs. The federal government already imposes price controls on doctors, hospitals and pharmaceutical companies. Controls on patient procedures are likely to follow.

### **Spending and Tax Increases:**

Democrats proposed more than \$850 billion in tax increases on small businesses and middle class families to pay for their health care reform plan. Health spending will jump from 16.6% to 17.6% of GDP this year alone. House Democrats are calling for an additional \$1.6 trillion in new health spending - on top of the more than \$150 billion in health spending in the "stimulus" bill.

### **Massive, Forced Dislocation of Currently Insured Individuals:**

Analysis by actuaries at the independent Lewin Group found that nearly 114 million individuals could involuntarily lose their private coverage due to a government-run plan, and be forced into the public plan.

### **Reduced Revenue for Providers:**

Other analysis by the Lewin Group found that a government-run plan reimbursing at Medicare rates would cause hospitals' total revenue to drop by nearly 5% (\$36.5 billion), and physicians' total revenue to decline by nearly 7% (\$36.4 billion).

### **Poorer Coverage and Access:**

CBO Director Doug Elmendorf recently testified that traditional Medicare provides a benefit package 15% lower than the standard employer-sponsored plan which is one reason why more than four in five Medicare beneficiaries rely on supplemental health coverage. In Medicaid, low provider participation rates often lead to long waits for care, such that low-income Americans would prefer private insurance coverage to Medicaid by a more than two-to-one margin.

### **Fraud:**

Reports by the Government Accountability Office and other watchdog groups have highlighted persistent problems with fraud in government-run Medicare - estimating tens of billions per year, at taxpayer expense.



# ENERGY

## REPUBLICAN PLAN

Republicans have introduced the American Energy Act (H.R. 2846), which is an all-of-the-above solution that offers energy independence, good jobs and a cleaner environment for our nation. The American Energy Act promotes new, clean and reliable sources of energy:

### **Nuclear:**

The 104 nuclear reactors in America today provide the United States with 20 percent of its electricity and 73 percent of its CO<sub>2</sub>-free electricity, yet no new reactors have been ordered since 1978. The Republican Plan establishes a national goal to safely bring 100 new nuclear reactors online over the next 20 years to strengthen America's commitment to clean, reliable energy.

### **New and Expanded Technologies:**

The Republican plan creates a Renewable and Alternative Energy Trust Fund to provide funding for energy programs authorized by federal law, such as biomass, hydroelectric, clean coal, solar, wind, geothermal and other forms of renewable energy. The fund will encourage the development of renewable, alternative and unconventional fuels, and new energy sources, using receipts from the new federal and oil gas leasing in the Arctic Coastal Plain and the Outer Continental Shelf (OCS).

### **Alternative Fuels:**

The bill spurs the development of America's alternative fuels by repealing the "Section 526" prohibition on government purchasing of fuels derived from sources such as oil shale, tar sands and coal-to liquid technology. The bill also encourages the use of clean coal-to-liquid technology by allowing federal agencies to enter into long-term contracts to buy coal-derived fuel and by authorizing the Secretary of Energy to enter into loan agreements with coal-to-liquid projects.

### **Tax Provisions:**

The bill encourages new and expanding energy technologies by making permanent tax credits for the production of renewable electricity, including wind, solar and biomass. The bill also makes permanent investment tax credits for solar energy and for fuel cell properties and extends the biodiesel and renewable diesel tax credits.

### **American Energy:**

The Interior Department estimates that the OCS holds up to 86 billion barrels of oil and 420 trillion cubic feet of natural gas. Significant portions of the OCS remain unavailable because the current Administration continues to delay leasing activities. The bill increases the supply of American energy by immediately moving forward with a leasing program on the OCS, simplifies and harmonizes the OCS mileage restrictions, expanding state territorial waters to 12 miles offshore (most state borders stop at three miles), and gives coastal states a share of the receipts from such energy exploration. A portion of the revenues created by OCS exploration would go to a renewable energy trust fund to pay for a variety of renewable, alternative and advanced energy programs.

### **Conservation and Efficiency:**

The bill provides tax incentives for businesses and homeowners who improve their energy efficiency. It also extends tax credits for energy efficient appliances and energy efficient upgrades made to existing homes, a tax credit for individuals who purchase a new energy efficient home and a tax credit for energy efficient commercial buildings, home energy audits and smart meters.

Visit [www.GOP.gov/energy](http://www.GOP.gov/energy) for more information and to read the complete American Energy Act.

## DEMOCRAT PLAN

Democrats have proposed a massive new national energy tax on virtually all Americans in the form of their cap and trade bill (H.R. 2454), which narrowly passed the House of Representatives on June 26, 2009. The Democrat "cap and tax" proposal will relocate millions of American jobs overseas and be the largest tax increase in American history:

### **Background:**

The Democrats' "cap and tax" proposal would cap greenhouse gas emissions from regulated entities and require businesses to purchase permits or "allowances" for their emissions. The proposal, which imposes mandates and further regulations on manufacturers, is intended to spur a reduction of greenhouse gas emissions. Such a costly mandate will likely be passed on to consumers in the form of higher energy costs, amounting to a tax on all energy use. Such a tax increase would lead to either a devastating reduction in energy use, an erosion of the American family's budget, or both.

### **National Energy Tax:**

CBO confirms that H.R. 2454 imposes a national energy tax on every household in the United States. Almost every provision in the bill increases the cost of energy directly. Even the President admits that for a "cap and tax" program to work electricity rates must "necessarily skyrocket."

### **Loss of Jobs and GDP:**

Under "cap and tax" legislation, domestic manufacturing output would fall considerably. This would result in the destruction of up to 2.4 million American jobs. The Democrats' proposal would reduce economic growth, gross domestic product (GDP), and employment opportunities. Any "green" jobs created would not be enough to offset the millions of domestic manufacturing and other American jobs lost as a result of these energy taxes. Cumulative gross domestic product losses could reach \$3.1 trillion by 2030.

### **Higher Gas Prices:**

An American Petroleum Institute report shows that the "cost impacts {of H.R. 2454} could be as much as 77 cents for gasoline, 83 cents per gallon of jet fuel and 88 cents for diesel fuel." The Heritage Foundation has estimated that, as a result of these increased prices, the average household will cut consumption of gasoline by 15 percent while forcing a family of four to pay \$596 more in 2035, and \$8,000 more between 2012 and 2035.

### **Miniscule Emissions Reductions:**

Unilateral action by the United States would have virtually no impact on global emissions. Other major emitting countries such as China (the world's largest emitter of greenhouse gases) and India have clearly stated that they will not reduce their emissions. Without cooperation of countries like China and India, emissions resulting from displaced manufacturing jobs will just be moved to another area of the globe, not eliminated.





# “STIMULUS”

## REPUBLICAN PLAN

Republicans know that in this difficult economic time, Americans are hurting. Republicans believed that Congress needed to spur the economy and promote job growth, which is why Republicans proposed an alternative to the Democrats’ massive, big government “stimulus” bill. The Republican plan would have created 6.2 million jobs over the next two years: twice the forecast jobs, at half the cost of the Democrats’ bill, over the next two years. In reality, though, 2.2 million jobs have been lost in America since the “stimulus” was signed on February 17, 2009.

### **Immediate Tax Relief and Assistance for Working Families:**

The Republican stimulus plan would have jump-started the economy by putting income back in the hands of hard working American families. The plan lowers the bottom two income tax brackets from 10% to 5% and from 15% to 10%. This will reduce the income taxes of every American who pays income taxes and will provide a maximum family benefit of almost \$3,400 each year. The plan also offers financial assistance to many of the unemployed who would not qualify for the COBRA premium subsidy, like those who worked for employers with fewer than 20 employees or who are ineligible for COBRA because their former employer went bankrupt.

### **Help for America’s Small Businesses and Employers:**

The Republican plan creates a new 20% deduction for small business income. This provision would lower the tax burden on companies with 500 or fewer employees (99.9 percent of the 27.2 million businesses in America), a group of businesses that employ about half of all private-sector employees and that create nearly 80% of the new jobs in the United States.

The Republican plan extends the favorable bonus depreciation rules contained in the 2008 stimulus package, providing businesses, both large and small, enhanced incentives to make critical investments. In addition, the Republicans’ plan expands the carry-back of Net Operating Losses (NOLs) and permits businesses to carry back their NOL deductions for five years, rather than two. This would provide many previously profitable companies the opportunity to seek immediate refunds of past taxes paid, giving them cash infusions that would help them weather the current economic storm.

### **Improved Homebuyer Credit:**

The Republican plan extends the \$7,500 homebuyer tax credit through December 31, 2009, while expanding the benefit to all primary residences, requiring a 5% down payment, and eliminating the complicated “recapture” rules that currently require homebuyers to pay the government back if they claim this credit. This provision would help stimulate the faltering housing market and encourage responsible homeownership.

### **Unemployment Assistance:**

The Republican plan would extend federal unemployment benefits through December 2009. The plan would have exempted unemployment benefits from Federal income tax during 2008 and 2009, ensuring that Americans who have lost their jobs do not see the value of their benefits being unfairly taxed away during these difficult times.



## DEMOCRAT PLAN

In February, Democrats promised the American people that by borrowing another \$1 trillion to pay for their American Recovery and Reinvestment Act (the “stimulus” bill), national unemployment would peak below 8 percent and the economy would receive an immediate jolt. In reality, the “stimulus” bill has not worked as advertised and instead has led to more of the same from Democrats: record borrowing and government spending.

### **Deficits:**

Through the first ten months of fiscal year 2009 the federal deficit is \$1.3 trillion. CBO predicts that the FY 2009 deficit will reach a record \$1.6 trillion, which is 3.5 times more than FY 2008’s record deficit of \$458 billion.

### **Debt:**

The total national debt is \$11.6 trillion. Debt held by the public, which excludes intergovernmental debt and debt held in the Social Security Trust fund, is \$7.3 trillion. The Office of Management and Budget predicts that the national debt will rapidly rise to \$23.3 trillion by FY 2019 under the President’s budget. Treasury Secretary Geithner sent a letter on August 7, 2009, asking Congress to raise the debt limit above \$12.1 trillion.

### **Jobs and Unemployment:**

The unemployment rate in August was 9.7 percent, up from 7.6 percent in January when the President took office and is the highest level of unemployment in 26 years. 14.4 million job-seeking Americans are without jobs. Since the Democrat “stimulus” was signed into law in February, two million Americans have lost their jobs.

### **Income:**

Personal income in the month of June was down \$133.1 billion from the month before the “stimulus” was passed.

### **“Stimulus”:**

To date, the White House reports that \$80.9 billion of the \$787 billion “stimulus” bill has been paid out. Of that spending, \$26.8 billion has been spent on Medicaid grants to States, \$13 billion for State education funding and student aid, \$15 billion for unemployment insurance, \$13 billion for one-time Social Security payments, and \$3 billion for food stamps. Only \$1.7 billion or 0.2 percent has been paid out for transportation infrastructure projects.

### **Government Spending:**

In FY 2009, the government will spend an estimated \$3.65 trillion, surpassing last year’s record for federal spending by \$670 billion. Over the last year, Democrats have increased discretionary spending (including the “stimulus”) by 25 percent and non-defense discretionary spending by 57 percent.



# BUDGET

## REPUBLICAN PLAN

Republicans set forth a budget alternative that embraced fiscal discipline, lower taxes and smaller government.

**Deficit:**

Under the Republican plan, deficits are \$3.3 trillion lower for the 10-year budget period and fall below 3.0 percent of GDP over the 10-year period.

**Debt:**

The Republican plan borrows \$3.6 trillion less than the Obama Administration's budget.

**Total Spending:**

Over 10 years, the Republican plan spends \$4.8 trillion less than the President's budget. Also, spending falls to 20.7% of GDP--about the historical average.

**Discretionary Spending:**

The Republican plan freezes nondefense discretionary spending in 2010-14 and allows for moderate increases through 2019.

**Entitlement Spending:**

While the Democrat budget increases entitlement spending by \$1.4 trillion over ten years, the Republican plan slows the average annual growth in mandatory spending from 5.3% to 3.9%.

**Long Term:**

Under the President's budget the national debt exceeds 100% of GDP in 2030. By contrast, the Republican plan gains control of the debt, by never exceeding 75% of GDP over the next 75 years. It also begins reforms to ensure the federal government can meet the mission of health and retirement security, extending the American legacy of leaving the next generation better off.

**Taxes:**

While President Obama's budget punishes investors by increasing taxes by \$1.15 trillion, the Republican plan provides tax incentives to use private capital, not taxpayer dollars, to unlock credit markets and encourage private sector investment and job growth. The Republican plan also suspends the capital gains tax through 2010, reduces corporate tax rates from 39% (second highest in the industrialized world) to 25%, and produces 2.1 million more jobs than the President's plan in the fifth year of the budget.

**Energy:**

Reducing U.S. dependence on foreign oil is a main priority of the Republican plan. Unlike the Obama Administration's budget that imposes a national energy tax, this plan opens domestic resources to environmentally sound exploration and development, and encourages the development of carbon-free nuclear energy.

**Defense and Veterans:**

House Republicans increased the President's budget for defense by \$5 billion, reserved a \$50 billion placeholder for unmet needs in the Department of Defense and, and fully funded the House-reported level for the Veterans' Administration (\$540-million increase over the President).

Visit [www.GOP.gov/solutions/budget](http://www.GOP.gov/solutions/budget) for more information and to read the complete Budget Alternative.

## DEMOCRAT PLAN

Over the past several months, Democrats have racked up the highest spending in history, run up a deficit four times greater than last year's all-time-high, and put the United States on course to double the national debt in five years and nearly triple it in 10 years. In short, the Democrats passed a budget that spends too much, taxes too much, and borrows too much.

Democrat budget policy includes:

### **Health Spending:**

The Democrat budget includes nearly \$1 trillion in new health spending - a \$634 billion reserve fund as a "down payment" for expanded coverage and \$330 billion in spending for increases to physician reimbursements. The fund would be paid for in part through \$318 billion in higher taxes on filers who itemize, "competitive bidding" for Medicare Advantage plans, and more government price controls on drug makers.

### **Massive Tax Increases:**

The Democrat budget would increase taxes by \$574 billion over five years and \$1.154 trillion over ten years, as compared to extending current tax policies as called for in the Republican alternative. The Democrats' budget calls for massive spending increases. The cost of this new spending will be placed squarely on the backs of small businesses, family farmers and every American energy consumer.

### **Insignificant Savings:**

In announcing his support for PAYGO, President Obama said, "Congress can only spend a dollar if it saves a dollar elsewhere." The President has tried to show his dedication to budget savings by asking federal agencies to reduce their budgets by about .002 percent of the total budget for 2009. This represents a mere drop in an ocean of spending.

### **Record Deficits:**

The President will rack up a deficit of \$1.58 trillion this year - four times higher than the all-time-record deficit of \$458 billion last year. In July alone the deficit was \$181 billion, a record-high for the month. The President claims that by 2015 he will cut the deficit to \$739 billion, which would still be almost double last year's record. The President's deficit then shoots back up to \$971 billion by 2019, digging deeper into the same hole as before. The Office of Management and Budget now estimates that the total ten-year deficit will reach \$9.05 trillion - \$1.94 trillion or 27% more than the White House originally estimated in May.

### **Debt:**

Under the Democrat budget, the debt held by the public would reach \$13.12 trillion in FY 2014, or 71 percent of gross domestic product (GDP), according to estimates by the Congressional Budget Office. The budget would also increase the statutory debt limit to \$14.063 trillion in 2010, or 8.2% above the current debt limit.

A pair of black-rimmed glasses is placed on a document filled with financial data, including various numbers and codes. In the background, a portion of a black calculator is visible, showing keys like 'MU', 'CE', and '0'.

# FINANCIAL REGULATION

## REPUBLICAN PLAN

The Consumer Protection and Financial Regulatory Enhancement Act is premised on three key principles: ending the bailouts once and for all; restoring market discipline; and protecting the taxpayers. This means smarter regulation, rather than more regulation. It also means ending the misguided government policies that helped cause and worsen the current financial crisis, while propping up failed financial institutions.

### **No More Bailouts:**

The plan would create a new chapter of the bankruptcy code to make it more efficient and better suited for winding down large non-bank financial institutions. Republicans are committed to stopping the government from picking winners and losers in the marketplace.

### **Taxpayer Protection:**

The plan would put an end to the taxpayer subsidies for Fannie Mae and Freddie Mac and gradually privatizes them. Fannie Mae and Freddie Mac are two housing government-sponsored enterprises that have exposed the taxpayers to potentially trillions of dollars in liabilities and are at the core of the current financial crisis.

### **Restoring Market Discipline:**

The plan would remove the federal government's seal of approval of credit rating agencies by removing all references to credit rating agencies that appear in federal law. The failure of the credit rating agencies, operating as a cartel and aided by misguided government policies, assisted in creating the current financial crisis. Each of these institutions—Fannie Mae, Freddie Mac and the credit rating agencies—would be required to compete fairly in the marketplace.

### **Monitoring Systemic Risk:**

The plan would create a Board and task it with monitoring the interactions of various sectors of the financial system, identifying risks that could endanger the stability and soundness of the system. The Board would be chaired by the Secretary of the Treasury and comprised of outside experts as well as representatives from the financial regulatory agencies responsible for supervising large, complex firms.

### **Consumer Protection:**

The plan would provide regulators, including the Financial Crimes Enforcement Network (FinCEN), with more investigative and enforcement tools, increase civil and criminal penalties, and maximize restitution to victims of fraud. The proposal would also expand the mission of the Financial Literacy and Education Commission by giving it the authority to direct regulated entities to disclose relevant policies and procedures on their websites. The plan would also streamline the complaint process for consumers and investors by establishing a single, toll-free number and website to field consumer inquiries and direct them to the appropriate regulatory enforcement agency.

### **Ensuring Transparency:**

The plan would ensure transparency and accountability of government by directing the Government Accountability Office to conduct extensive audits of the Federal Reserve. The proposed plan would refocus the Fed on its core mission of conducting monetary policy by relieving it of current regulatory and supervisory responsibilities.

### **Streamlining Government:**

The plan would ensure consistent enforcement, accountability and transparency by modernizing the current framework of overlapping and redundant federal financial regulatory agencies and streamlining supervision of deposit-taking entities in one agency while preserving charter choice as well as the dual banking system. The plan would combine the Office of the Comptroller of the Currency and Office of Thrift Supervision into one agency and shifts the supervisory functions of the Federal Reserve and Federal Deposit Insurance Corporation to that agency.



## DEMOCRAT PLAN

**More Government Takeovers:** Rather than unwinding the government's complicated and costly entanglements with private businesses, the President's plan facilitates and encourages more federal intervention. The proposal would require the Fed and other new agencies to regulate large companies and force them into government control if they see fit, which would permanently tie taxpayer's money to private business intervention.

**Expands the Federal Reserve:** The Fed's chief responsibility is to ensure a sound monetary policy. The President's plan would drastically expand the Fed's role in monitoring and regulating large institutions. At a time when our nation is spending and borrowing at record rates and unemployment is at a 26-year high, many have expressed a desire to see the Fed refocus on its primary purpose, instead of conducting bailouts and takeovers.

**Continued Bailouts:** While the Republicans introduced an alternative plan for regulatory reform that would eliminate the endless cycle of bailouts for institutions deemed "too big to fail," the President's proposal continues the practice of using taxpayers as the lender of last resort. Under the plan the government would continue to privatize profits and socialize risk by standing ready to bail out any company that the new regulatory agencies and the Fed cannot regulate into a successful firm. The regulators would decide the way forward, and the taxpayers would provide a government safety net if they fail.

**Lacks Reform of Fannie and Freddie:** For years, Fannie, Freddie, and the other government-sponsored enterprises (GSEs), have made loans and purchased mortgages with backing of the federal government. The GSEs made profits for shareholders but left taxpayers holding the bag when the housing bubble burst. Instead of phasing out taxpayer subsidies for the GSEs, as the Republican alternative would, the President would keep taxpayers liable for GSEs.

**Decreases Consumer Credit:** Increased government restrictions against certain financial products will increase costs and reduce options for consumers. President Obama stated that "if you find yourself able on a \$30,000 a year income to buy a \$400,000 house with no money down, then you are much more gullible to the inducements that are out there." The President would create new government bureaucracies to limit the types of credit products in an attempt to protect "gullible" consumers. But limiting the types of consumer credit products available now could severely hurt responsible consumers who can obtain better rates through other products when the credit market resets.

**Picks Winners and Losers:** By increasing the power and authority of the Fed, Treasury, and other new agencies over the financial sector, the federal government will increasingly pick winners and losers in the market. When Tier 1 companies are forced into government seizure by the Fed and the Financial Services Oversight Council, each firm's future will be decided by government regulators. The Consumer Financial Protection Agency will make regulations that are profitable for some and put others out of business. More than ever, the success of an institution will be in the hands of bureaucrats.

**Decreases Personal Responsibility:** The regulatory reform package proposed by Republicans in the House would bring an end to the cycle of trillion dollar taxpayer bailouts and restore market responsibility. Under the President's plan, the federal government would still be responsible for shoring up financial markets with taxpayer funds. The Republican alternative would not reward imprudent behavior by stepping in and saving large institutions.



# NATIONAL SECURITY

## REPUBLICAN PLAN

### GUANTANAMO BAY

#### **Background:**

On January 22, 2009, President Obama signed an executive order to close the Guantanamo Bay prison that holds hundreds of the world's most dangerous terrorists within one year. This decision was made without a backup plan in place for where these terrorists would go. Several key questions remain: What is our nation's plan for dealing with these terrorists? Will they be brought into the United States? Will they be released back onto the battlefield? These questions have not been answered by the Administration.

#### **The Keep Terrorists Out of America Act:**

The Republican plan affirms the American people's opposition to releasing the terrorists at the Guantanamo Bay prison or bringing them into the United States. Most Americans do not support releasing these terrorists from Guantanamo Bay prison and transferring them into the United States. The bill gives Congress an opportunity to show that it stands with the American people on this critical matter and opposes the release and transfer of these terrorists.

The Republican plan prohibits the Administration from transferring or releasing any terrorist detainees at Guantanamo Bay to any State without express approval from the State's governor and legislature and certification to Congress that strict requirements have been met. For example, the Administration must certify to the respective governor and State legislature that the detainee does not pose a security risk to the United States. The certifications must be made 60 days before any transfer or release.

The bill prohibits the President from transferring or releasing a terrorist detainee into the United States unless he provides the following notification and certification to Congress regarding: The name of the detainee and transfer or release location in the United States, the release or transfer would not negatively impact continued prosecution of the detainee, and the release or transfer would not negatively impact continued detention of the detainee.

### CIA

#### **Republicans Support a Responsible CIA:**

Earlier this year, Speaker Nancy Pelosi claimed that the CIA misled her in 2002 about whether waterboarding had been used against certain terrorism suspects. Republicans understand that intentionally misleading Congress is a serious offense and offered a commonsense solution—the creation of a bipartisan panel to investigate the claims. A privileged resolution was offered in the House to create this special subcommittee that would have been comprised of four members of the Intelligence Committee. The panel would have subpoena power for documents and testimony and be forced to report its findings in 60 calendar days. Democrats defeated this call for a bipartisan investigation by a party line vote.

## DEMOCRAT PLAN

### GUANTANAMO BAY

The Obama Administration missed a July 22, 2009, deadline to establish a detailed plan for safely closing the Guantanamo Bay detention facility. The new deadline for the establishment of this plan is December 22, 2009. It is reported that the Administration will transfer certain detainees to unspecified locations around the world, which may endanger American troops and citizens overseas. The Administration has also expressed its intention to bring Guantanamo detainees to the U.S. for prosecution, raising serious concerns about what “constitutional” rights terrorists have on U.S. soil.

Since 2002, the Guantanamo Bay detention facility has held some of the world’s most dangerous terrorists who either participated in planning the attacks of September 11<sup>th</sup>, or were captured while planning attacks.

To fulfill a campaign promise, President Obama ordered that the detention facility be closed. Now the President has missed the deadline he promised the American people for a plan to relocate the detainees and has kicked the deadline down the road.

Families across the country fear that these dangerous terrorists will be relocated to their local communities, or eventually released to return to the battlefield.

According to the Washington Post, more than five-hundred “safe” terrorist detainees were released from Guantanamo Bay, and 1 out of 7 of these terrorists later went back to participation in terrorist activities.

The more than 200 terrorists remaining at Guantanamo Bay represent the worst of the worst. How will closing Guantanamo make us safer?

### CIA

The Obama Administration recently appointed a special prosecutor to investigate the CIA officials who interrogated Al Qaeda terrorists during the previous administration. This represents a reversal of the President’s previous position. When asked about potential prosecutions of our intelligence professionals in April, President Obama said: “I think that we should be looking forward and not backwards. I do worry about this getting so politicized that we cannot function effectively, and it hampers our ability to carry out critical national security operations.”



# FAMILY ISSUES

## REPUBLICAN PLAN

Republicans are committed to ensuring that public funds or the tax dollars of millions of hardworking Americans are not subsidizing efforts that they find morally unconscionable.

### **Mexico City Policy**

To address concerns with the increased family planning funding made available to international abortion providers (absent the Mexico City Policy restrictions) under the Department of State, Foreign Operations, and Related Programs Appropriations Act, Republicans offered an amendment to the bill to reinstate the Mexico City Policy. Unfortunately, the Democrat Majority blocked the amendment from being voted on on the floor.

However, Republicans, introduced stand-alone legislation (H.R. 708) to reinstate the Mexico City Policy. This legislation would once again establish a wall of separation between abortion and family planning by ensuring that U.S. international family planning funds are not directed to foreign non-governmental organizations (NGOs) that actively promote or perform abortion as a method of family planning.

### **Restricting Taxpayer Funding for Abortion in the District of Columbia**

On July 7, 2009, the House Appropriations Committee marked up the Financial Services Appropriations bill including language approving taxpayer funding for abortion in D.C. During the markup, Republicans offered an amendment to correct a pro-abortion concern with the underlying legislation and reinstate the original Dornan amendment language. Unfortunately, the amendment was defeated.

### **Restricting Abortion Coverage in Democrats Health Care Plan**

Any government health care takeover must explicitly prohibit abortion coverage in order to ensure that it does not either mandate insurance coverage of abortion or use public funds to subsidize a procedure that millions find unconscionable. Such a provision is lacking from the Democrat plan.

During the Committee consideration of the bill, various Members offered bi-partisan pro-life amendments to prevent mandated abortion coverage in the essential benefits package. In the Energy and Commerce Committee, one of the amendments initially passed by a vote of 31-27. However, Committee Chair Henry Waxman (D-CA) used a procedural gimmick to force a revote later in the night. A couple of hours later, the revote was called and the amendment failed by a vote of 29-30.

### **Amendment to Defund Planned Parenthood**

While the Democrat Majority continues to expand funding for abortion providers, Republicans offered an amendment to the Labor and Health and Human Services Appropriations Act to defund Planned Parenthood. The amendment would have withheld annual appropriations of Health and Human Services' Family Planning funds from Planned Parenthood, without reducing overall funds available for family planning under Title X. Planned Parenthood is the largest recipient of Family Planning (Title X) money and is also the largest abortion provider in America. Family planning services that are necessary can be provided by groups that do not actively promote abortion and fight off every possible common-sense restriction on abortion.



## DEMOCRAT PLAN

Democrats have proposed to expand taxpayer funded abortion through numerous legislative avenues.

### **Mexico City Policy**

In January, 2009, President Obama reversed a long-standing policy, known colloquially as the Mexico City Policy, which has prohibited U.S. tax dollars from funding abortions overseas. This came the same week as the 36th anniversary of the *Roe v. Wade* Supreme Court ruling that legalized abortion in the United States. The Mexico City Policy draws a clear line between family planning and promoting abortion. In allowing U.S. tax dollars to fund abortions by executive fiat, President Obama is forcing many pro-life Americans to fund a procedure they consider morally unconscionable.

### **Taxpayer Funding for Abortion in the District of Columbia**

The Financial Services Appropriations bill has historically included a restriction on government (both federal and D.C.) funded abortion in the District of Columbia, known as the Dornan amendment. Democrats rendered the language of the abortion funding provision ineffective by lifting the restriction on local D.C. funds to be used to pay for abortions in the District, without any limitations. Since Congress appropriates both federal and local funds, this change will mean that Congress is approving taxpayer funds that can be used for abortion.

### **Abortion Funding in Democrats Government-Run Health Care Plan**

On July 14, 2009, House Democrats unveiled their health care plan, providing for a government takeover of the health care system. Among its many provisions, the bill establishes a new government health board called the “Health Benefits Advisory Committee” to recommend minimum federal benefit standards and cost-sharing levels. The Committee in conjunction with the Health and Human Services Secretary would provide federal bureaucrats with the power to define health insurance, the purchase of which would be required by the bill, and impose new mandates—including a mandate to obtain and provide abortion coverage—on individuals and insurance carriers. These mandates by unelected bureaucrats would significantly increase the number of abortions performed nationwide, notwithstanding the beliefs of millions of Americans. Subsidies would also be distributed to purchase health insurance to anyone with incomes below four times the federal poverty level (\$88,200 for a family of four), causing U.S. taxpayers to then subsidize abortion coverage for “low-income” individuals.

Democrats have shown that it is in fact their intent to both cover and subsidize abortion under a government run plan, as evidenced by President Obama’s statement to the Planned Parenthood Action Fund, “In my mind, reproductive care is essential care, basic care, so it is at the center, the heart of the plan that I propose ... Insurers are going to have to abide by the same rules in terms of providing comprehensive care, including reproductive care ... that’s going to be absolutely vital.”

Furthermore, on May 20, 2009, Secretary of State Hillary Clinton testified before the House Foreign Affairs Committee and said, “We [the Obama Administration] happen to think that family planning is an important part of women’s health and reproductive health includes access to abortion...” According to comments made by Rep. Zoe Lofgren (D-CA) during an August town hall event, “[This is a] basic benefit plan developed by ... health professionals... Abortion will be covered as a benefit by one or more of the health care plans available to Americans, and I think it should be.”

### **Increased Funding for Abortion Providers Under Title X**

Democrats passed H.R. 3293, the Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, on July 24, 2009. The bill provided \$317.4 million for Title X family planning programs. Planned Parenthood, the nation’s largest abortion provider, is the largest recipient of Title X funding. While the bill prohibits funds from being used to pay for abortions, Planned Parenthood still receives funding, and given that money is fungible, Title X money would allow Planned Parenthood to expand its operations and likely assist in subsidizing their abortion activities.



# REBUILDING AMERICANS' SAVINGS

## REPUBLICAN PLAN

Republicans introduced the Savings Recovery Act (H.R. 2021) to help Americans protect and rebuild their hard-earned savings as quickly as possible while making sure the federal government does not hinder the process.

**Rebuilding Retirement Savings:** In the current economic climate, Americans should be afforded every opportunity to help rebuild their savings. However, current law limits the amount Americans can put into their retirement savings or the “catch-up” contributions they may make. By raising the contribution and catch-up limits, the Savings Recovery Act gives Americans an opportunity to more quickly build back their retirement savings. In addition, current law generally requires a certain portion of retirement savings to be withdrawn after an individual turns 70  $\frac{1}{2}$  or retires. This requirement was suspended in 2009 to help retirees keep more of their retirement savings. This bill would extend the suspension of minimum withdrawals for an additional three years, through 2012.

**Rebuilding College Savings:** The current SAVERS Credit provides a tax credit of up to \$1,000 for an individual filer and \$2,000 for those filing jointly, for voluntary contributions to retirement savings plans. The Savings Recovery Act would extend the existing SAVERS Credit to contributions made to 529 college savings accounts, effectively reducing by up to half the cost of a family's contribution to a 529 plan. The bill also would permanently allow families to change the investment direction of a 529 plan twice a year, rather than once a year.

**Increasing Retirement Income by Reducing the Social Security Earnings Penalty:** Many Americans continue working into their mid-60s – out of financial necessity or as personal preference. Choosing to work and claim Social Security benefits before full retirement age, however, can result in losing \$1 of benefits for every \$2 of earnings in excess of \$14,160 this year. Given the decline in value of other retirement savings as a result of the market, more workers who have not yet reached full retirement age need to increase their income now. Therefore, the Savings Recovery Act would double the Social Security earnings limit and allow more Americans to increase their income without being hit by the earnings penalty.

**Tax Relief for Investors and Seniors:** The Savings Recovery Act would immediately suspend the capital gains tax on newly acquired assets for the next two years and would raise and index to inflation the amount of capital losses allowed against ordinary income to \$10,000 – roughly the level it would be currently if it had been indexed to inflation when last modified. Also, the bill would suspend taxes on dividend income through 2011, which particularly helps seniors and those on the verge of retirement.

**Stabilizing Worker Pensions and Helping Employers Invest in the Future.** The decline in the stock market has also placed a significant strain on employers and their worker pension plans. Rules requiring plans to recognize most of their losses in 2008 immediately and make up for those losses quickly are leaving many companies with unmanageable obligations, which could force employers to stop offering their pension plans altogether. To help ensure the viability of these worker pension plans, and allow employers to retain jobs and weather the economic storm, the Savings Recovery Act temporarily provides an increased glide path for recognizing losses and two additional years to resolve funding shortfalls. The bill would, however, require employers to continue making interest payments to their pension plans to prevent shortfalls from growing larger.

**Preserving Employee-Controlled 401(k)s:** Some in Washington are proposing to wipe out 401(k)s entirely, replacing them with government-run accounts that put bureaucrats – instead of families – in charge of Americans' savings. House Republicans are committed to preserving 401(k)s and the ability of workers to make their own decisions about their retirement savings. The Savings Recovery Act reflects this important principle.



# HOUSING

## REPUBLICAN PLAN

### *“The Responsible Homeowners Act”*

#### **\$5,000 Refinancing Credit:**

Republicans propose to provide a \$5,000 refinancing tax credit to help families cover the costs of a mortgage refinancing, buy down points, or reduce their principal balance (covers refinancings through July 1, 2010).

#### **Incentives for Voluntary Refinancing to Keep Homeowners in Their Home:**

Many borrowers who fall behind on their mortgage can remain in their home if their lender agrees to refinance or modify their mortgage to reduce their monthly payments. Lenders can reduce monthly payments by adjusting interest rates, extending the term of a loan, or even forgiving a portion of the debt.

#### **Mortgage Modifications, Not Lawsuits:**

Many mortgage servicers are fearful that if they modify a mortgage, they could later be sued by one of the many investors who own a portion of the mortgage. As a result, fewer mortgages are modified. To address this problem Republicans propose to provide a “safe harbor” from lawsuits by investors for mortgage servicers who engage in specified loan modifications consistent with their statutory duties; and would require unsuccessful plaintiffs to pay all attorneys’ fees and any legal costs incurred by the defendant.

#### **\$15,000 Home-buyer Credit:**

To spur home purchases across-the-board, Republicans propose a \$15,000 home-buyer credit for all purchases of primary residences, provided the buyer puts 5% down (covers purchases made before July 1, 2010). The down payment requirement encourages responsible home ownership and will ensure that we do not repeat the mistake of the past where individuals ended up with more home than they could afford through the use of zero-down-payment loans.

#### **Incentives for Neighborhood Investors:**

In areas with a high number of foreclosed homes, we need individuals who are willing to invest in these homes and get them reoccupied. Unfortunately, current law only provides incentives for the purchase of owner-occupied homes. We should encourage neighborhood investors to purchase vacant or foreclosed homes and rent them out rather than leaving them empty. Therefore Republicans propose to equalize the treatment of a home purchased as a primary residence with a home purchased for rental purposes (defined as being rented to the same tenant for at least 181 days out of the year) by providing the same exclusion from taxes for any future appreciation in the home value (covers purchases made before July 1, 2010).

Visit [www.GOP.gov/solutions](http://www.GOP.gov/solutions) to download the complete housing plan.



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